

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 CIEP-02 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03

SEC-03 OMB-01 TRSE-00 L-03 DRC-01 /072 W

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R 291321Z MAR 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 0141

C O N F I D E N T I A L SANTO DOMINGO 1293

E.O. 11652: GDS

TAGS: EFIN, DR

SUBJECT: REACTION TO G & W'S COFINASA SETTLEMENT VERY FAVORABLE

REF: SANTO DOMINGO 1195

1. REACTIONS HAVE BEEN EXTREMELY FAVORABLE THUS FAR TO GULF & AND WESTERN'S MARCH 22 ANNOUNCEMENT THAT IT WAS DIVESTING ITSELF OF ITS 50 PERCENT OWNERSHIP IN COMPANIA FINANCIERA ASOCIADA S.A. (COFINASA). THE LOCAL PRESS GAVE THE ANNOUNCEMENT HEADLINE TREATMENT AND WHAT EDITORIAL COMMENT HAS APPEARED (SEE SEPTTEL FOR TEXT OF CARIBE EDITORIAL) HAS BEEN VERY FAVORABLE. A PROMINENT LISTIN EDITORIAL WRITER WHO HAS BEEN ANTI-GULF AND WESTERN IN THE PAST RELUCTANTLY APPLAUDED THE MOVE IN A MARCH 28 COLUMN AND EXPRESSED THE HOPE THAT A NEW DAY HAD DAWNED IN GULF AND WESTERN/DOMINICAN RELATIONS.

2. DOMINICAN BUSINESS COMMUNITY LEADERS WHO HAD FELT THEMSELVES THREATENED BY GULF AND WESTERN'S INVESTMENT AND LENDING ACTIVITIES THROUGH COFINASA NOW FEEL RELIEVED AND ARE EAGER FOR GULF AND WESTERN TO CONTINUE OPERATING AND EXPANDING IN AREAS THAT DO NOT COMPETE WITH LOCAL ENTREPRENEURS. THESE LOCAL BUSINESS LEADERS, WHO SHOULD BE NATURAL ALLIES OF GULF AND WESTERN, HAD INTERPRETED COFINASA LOANS TO COMPETITORS AS MEANING THAT GULF AND

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WESTERN ITSELF WAS BECOMING A COMPETITOR.

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, PRESS COMMENTS, FOREIGN INVESTMENTS, BANKS, LOANS, GIFTS, STOCKS (SECURITIES), PUBLIC ATTITUDES
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Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
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